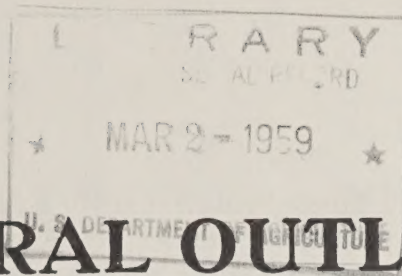


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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Demand for soybeans is strong but the record supply is holding farmers' prices at about the support level.

Farmers planted a record acreage to soybeans, got record yields and the crop of 480 million bushels was 7% above 1956. Thus, the uptrend in soybean production continued last year. Average production for 1946-55 was only 272 million bushels.

U. S. demand has been strong. Crush in October-December is estimated at around 85 million bushels, far above any previous quarter.

Exports have been heavy. Total from Oct. 1 through Jan. 10 was about 43 million bushels, 4 million more than peak for that period in 1956.

For all of 1957-58, 325 million bushels probably will be crushed . . . 90 million shipped abroad. This would leave record stocks of around 45 million bushels on hand next October 1, 35 million more than in 1956.

1957 crop was big enough to provide for heavy early season use even though farmers sold smaller proportion of production than usual. In recent years, farmers have tended to market later than formerly. As a result, difference between October seasonal low in prices and seasonal high has been narrowed.

Seasonal increase in prices this year is likely to be small because of large supply still to be marketed. Prices to farmers probably will stay close to support most of the rest of this season.

**HOGS.** Marketings the first 2 or 3 months of 1958 probably will be above a year ago. This will result from sales of hogs held back in November and December because of a combination of strengthening prices and large amounts of wet corn to be fed. Prices probably will stay below December levels until seasonal advance begins in mid-spring.

**CATTLE.** Prices averaging as high or higher than in 1957 are in prospect for 1958. Smaller marketings of cows and calves will pull total sales down. However, prices of overweight fed cattle may be discounted considerably this spring. Large supply of wet corn on hand this winter is encouraging feeding to extra heavy weights.

**DAIRY.** Milk prices, though lower in 1958-59 than in 1957-58, probably will stay above average in relation to feed prices. Reduction in support levels will lower prices for manufacturing milk. In some fluid markets, prices paid by dealers will reflect full cut in support. . . . other markets will show less change . . . Class I in some markets will be unaffected. Even with lower milk prices, milk-feed price ratio is likely to be high enough to encourage another small increase in milk production.

Prices of manufactured dairy products at retail probably will be reduced as a result of lower support. This may stimulate some increase in consumption. But milk output is likely to again exceed commercial use.



EGGS. Prices have declined since mid-December as production has increased seasonally. But production is lower, prices higher than a year ago. This is the probable pattern for the next few months.

BROILERS. Prices to farmers have risen since mid-December when the average 16.3¢ per pound was the lowest since 1940. But production is continuing to run well above year ago levels.

CITRUS FRUIT. December freezes cut heavily into the 1957-58 crop. January estimates show the orange crop down 18% from last year, tangerines a third, grapefruit 9%. The California lemon crop, unaffected by the freeze, is 9% below last year. Some of the damaged oranges were made into canned single-strength juice and frozen concentrate.

Reduced production probably means that prices for oranges and grapefruit for fresh use will continue higher than last winter.

VEGETABLES. Freezing weather, excessive rain have reduced production prospects for winter vegetables. On basis of January 1 conditions, total was expected to be slightly below 1956, 3% below average. Additional cold and rain damage occurred in early January.

POTATOES. Prices this winter are expected to average well above low level of last year. Stocks of 1957 fall crop potatoes are smaller than a year ago, and winter crop of 5,690,000 bushels is 16% below a year earlier.

TOBACCO. Production of cigarettes reached a record 441 billion in 1957, 4% above 1956. Cigar and cigarillos were up slightly, but output of smoking tobacco was down 1% and snuff and chewing tobacco down 4%.